

MAINTAINING EMPLOYEE HEALTH INSURANCE ENROLLMENT RECORDS (PR-REG-4)

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MAINTAINING EMPLOYEE HEALTH INSURANCE ENROLLMENT RECORDS

OVERVIEW

This document provides instructions for adding new health insurance enrollment records for new employees and for employees who have qualifying events. This process differs from entering employees in the health insurance system during open enrollment. For information on that process, refer to the *Health Insurance Open Enrollment* chapter. For a list of other records to be added for a new employee, refer to the *New Employee Checklist (PR-INTRO-2)* document in the *MUNIS Payroll/Personnel User Guide*.

Also included in this document are instructions for (1) updating an enrollment record to correct erroneous information and instructions for (2) terminating an employee from the health insurance system.

NOTE: *This document has not been updated to reflect MUNIS GUI screens.*

ADDING A NEW EMPLOYEE TO THE HEALTH INSURANCE SYSTEM

If an employee is hired by the School District after the open enrollment period, the employee health insurance enrollment record must be added and the employee deduction created for health insurance deductions to be taken. Although the process is similar to open enrollment, it contains less steps.

After the employee is entered into the MUNIS Employee Master file, the following steps are needed to complete the health insurance enrollment process:

- ☐ 1. Add the Employee Health Insurance Enrollment Record.
- ☐ 2. Generate an employee Advice of Coverage report for the employee to verify the Health Insurance Enrollment Record.
- ☐ 3. Generate a health insurance payroll deduction for the employee by running the **Z=Update-Deds** menu option on the Health Insurance Enrollment Maintenance screen.

The instructions required to perform each of these steps is given below.

Adding an Employee Health Insurance Enrollment Record

Enter an enrollment record for all eligible district employees, including those who waive coverage and those whose health insurance is paid by the school board. Employee deduction records that reflect accurate premium calculations will be automatically created from the MUNIS Health Insurance System. The Health Insurance System also tracks health insurance enrollment information and produces monthly Remittance Files to send to the Division of Finance. (The Division of Finance combines all the district files to send individual Remittance Files to each insurance carrier. It is also used for life insurance enrollment.)

To Add an Employee Health Insurance Enrollment Record, Select:

B) PAYROLL & PERSONNEL

F) Retirement & State-Specific

B) State of Kentucky

I) Kentucky Health Insurance

D) Enrollment Maintenance

The following screen is displayed:

Session	Edit	Commands	Settings	Help
HEALTH INSURANCE ENROLLMENT MAINTENANCE				
Action: Find Next Prev Browse Add Update Del Output R=Advice ...				
Query the current database table.				
Emp # []	Last []	Loc []	First []	MI []
SSN []			Change Date []	
Effective Date []			Ded Start []	
Home County []			Day Phone []	
Waive Coverage []			Pre-Tax []	Months Covered []
Health Ins Term []			Escrow Run []	Tot Ded Cycles []
Plan County []				Esc-Liq Cycles []
Carrier []				Cycles/Month []
Plan []				Monthly Premium []
Coverage []				State Contrib []
Level []				Employer Contrib []
EE Term Date []				Per Check Amt []
				Per Check Escrow []
Flex Spending []				
Flex Vendor []				Flex Spend Amt []
----- Cross Reference Data -----				
SSN []	Name []		County []	

1. Select **Add** from the Ring Menu.
2. Enter the **Employee Number**. The employee's name and SSN will display automatically. The employee must already exist in the Employee Master File before a Health Insurance Enrollment record can be added.

NOTE: *If the employee number is not known, press <CTRL><W> for lookup while the cursor is in the employee number field. A list of employee numbers and names will appear. To navigate, choose Goto from the Ring Menu, enter the first few letters of the employee's last name, and press Enter.*

3. Enter other information from the application. See the table below for field descriptions:

Field Name	Description
Name, SSN	Defaults from Employee Master file once Employee Number is entered.
Effective Date	Enter the date the insurance is effective.
Home County	Enter the 3-digit code that indicates the county in which the employee lives. Lookup is available by pressing F9 or <CTRL><W>.
Waive Coverage	Set this flag by entering Y for employees who choose not to accept health insurance coverage. Will be effective as of the date above. NOTE: <i>A health insurance premium will not be calculated for these employees and a health insurance deduction will not be created. However, a health insurance enrollment record should still be created for these employees. This information will be used for Life Insurance enrollment and for participation in Flexible Spending.</i>
Health Ins Term	Enter the date that the Health Insurance is to be terminated. EXAMPLE - If the employee terminates on 12/15/2002, the Health Insurance Term Date is 01/31/2003.
Plan County	Indicates the county of selection coverage. Lookup is available.
Carrier	Enter the 2-digit code for the Health Care Provider selected. Lookup is available.
Plan	Enter the Health Care Plan selected by the specified employee, e.g., HMO. Lookup is available.
Coverage	Enter the Health Care Coverage Type selected by the specified employee, e.g., single. Lookup is available.
Level	Enter the appropriate Coverage Level for the selected employee, A or B .
EE Term Date	This is a <i>display only</i> field. If a terminate date is entered on the Employee Master file, second screen, this date is populated with that expected termination date. NOTE: The Term Date field on the EE MASTER file must be populated for the system to cause the remittance file to not generate.
Ded Start	Enter the date the deduction is to start. This will flow into the start date for the Employee Deduction. Make sure the Ded Start date falls before the end date of the payroll in which the deduction should start.
Day Phone	Optional.
Pre-Tax	Indicates whether a pre-tax or post-tax deduction should be created for the selected employee. Enter Y if it is pre-tax, N if it is post-tax.
Escrow Run	If the insurance is to be escrowed, enter the employee's primary payroll run type (e.g., 1). Otherwise, leave blank and escrow will not be

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Field Name	Description
	calculated. NOTE: <i>The escrow run type must be populated on the escrow screen of the master deduction record. For more information, refer to the Setting Up Health Insurance document in the Setup & Administration section.</i>
Months Covered	This is the number of months the employee has health insurance coverage for the year. This would normally be 12 .
Tot Ded Cycles	Enter the total number of payroll cycles the insurance deduction will be withheld for the year (e.g., 24). If the insurance is to be escrowed, enter the total number of cycles for which this employee will be paid.
Esc-Liq Cycles	This field is not accessible unless Escrow Run is filled in. If the insurance is to be escrowed, enter the number of payroll cycles until the employee will first need their escrow to pay for their health insurance. This information is used to calculate the escrow contribution and the per check premium. For example, an escrowed employee does not work in July and August, so “Tot Ded Cycles” is set to 10. The employee starts withholding in December, so there are 7 months (1 payroll per month for a total of 7 cycles) until liquidation begins.
Cycles/Month	Cycles/Month indicates the number of payroll cycles per month in which the health insurance deduction is <u>expected</u> to be taken. This number is used in the calculation of the Per Check Amount . The Cycles/Month field will default to the number entered in “Cycles Per Month” in the Health Insurance Parameter File. If this number does not agree with the employee’s Primary Pay Frequency on the Employee Master file, an error message will display saying “Primary Pay Frequency does not match Cycles Per Month.” (See step 4 below for further information.)
Flex Spending	Enter Y if the employee is participating in a flexible spending plan. This is only available if the premium is less than the state contribution. (See note below in step 5.)
Flex Vendor	Required if Flex Spending is Y. This will be automatically assigned to the number in the Health Insurance Parameter File (which should be the number assigned by the Division of Finance).
Cross Reference Spouse Information	These fields must be entered for employees who are cross referencing. The state contribution will be doubled.

4. If the error message “**Primary Pay Frequency does not match Cycles Per Month**” appears, the situation should be reviewed carefully to determine if the correct health insurance amount will be deducted. This review must take into account the relationship between the Employee Primary Pay Frequency, the health insurance Master Deduction record’s cycles per month, and the Employee Health Insurance Enrollment Cycles/Month fields. An example follows:

An employee has a Primary Pay Frequency of S (semi-monthly) and the Cycles/Month field contains a 1. If the Master Deduction record for the health insurance vendor is set up to allow a deduction only on the second monthly payroll the Health Insurance System will take the full deduction amount from the second monthly payroll and nothing from the first monthly payroll. (The discrepancy will still cause the error message to appear, but it can be ignored.)

However, in the example above, if the Master Deduction record was set up for the deduction to be taken in both the first and second monthly payrolls, the **full amount** of the health insurance deduction would be taken in both payrolls causing an overpayment.

This error can be corrected in one of two ways: Either the Cycles/Month field can be changed to **2** so that the deduction amount is divided between the two payrolls, or the Master Deduction record can be changed to allow a deduction in only one payroll cycle per month.

5. After all the health insurance enrollment information has been entered, press **ESC** to update the record.

NOTE: *When an employee cross references and has leftover monies to put in flexible spending, the health insurance enrollment record must first be added (with the Flex Spending flag automatically set to “N”). If the employee chooses to participate in Flexible Spending, the record must then be updated to change the Flex Spending flag to “Y”. The system will automatically compute the Flexible Spending Amount.*

Entering Optional Text

An optional freeform text screen has been included for additional information about an employee’s health insurance coverage. When this option is chosen, a window displays to allow entry of additional information on the employee’s health insurance coverage. This information will print on the Employee Advice of Coverage, but no other reports.

NOTE: *The Text Screen does not have the automatic word wrap feature common to most word processors. The user must enter new lines when needed.*

To Access the Text Screen to Add Information About an Employee's Coverage:

1. Select **Text** from the Health Insurance Enrollment Maintenance Screen Ring Menu.
The Text Screen will be displayed.
2. Choose **Update** from the Text Screen Ring Menu and enter the text.
3. Press **ESC** to update the record.
4. Choose **Exit** from the Ring Menu to exit from the Text Screen and return to the Health Insurance Enrollment Maintenance Screen.

Printing an Employee Advice of Coverage Report

The Advice of Coverage report can be given to the newly enrolled employee to confirm the data entered into the MUNIS Health Insurance System.

To Print an Employee Advice of Coverage, Select:

B) PAYROLL & PERSONNEL

F) Retirement & State-Specific

B) State of Kentucky

I) Kentucky Health Insurance

D) Enrollment Maintenance

1. Select **Find** from the Ring Menu.
2. Enter the employee number or other criteria to retrieve the employee's record and press **ESC**.
3. Select **R=Advice** from the Ring Menu and **Print**.

An Employee Advice of Coverage Report Sample is included in *Appendix A*.

Creating an Employee Health Insurance Deduction

New health care deductions must only be created when an employee record is **added** to the Health Insurance System or when the employee's Health Insurance Enrollment record is **changed**.

NOTE: *The Employee Master File Audit maintains a record of any changes made to employee payroll information, including those made through the Health Insurance System. See the Setting Up Health Insurance chapter for further information.*

To Create a New Health Insurance Deduction from the MUNIS Health Insurance System, Select:

B) PAYROLL & PERSONNEL

F) Retirement & State-Specific

B) State of Kentucky

I) Kentucky Health Insurance

D) Enrollment Maintenance

In the Health Insurance Enrollment Maintenance screen:

1. Select **Find** from the Ring Menu.
2. Enter the desired criteria to select the employee and press **ESC**.

NOTE: *Verify that only the new employee is selected prior to choosing the Z=Update-Deds option.*

3. Select **Z=Update-Deds** from the Ring Menu.

The following screen is displayed:

Action:	Define	Output-Post	Exit
Define the Output-Post parameters.			
Populate Monthly Limits	[]	
Delete/Inactivate Prior Deductions?	[]	
Prior Deduction End Date	[]

4. Select **Define** from the Ring Menu.

5. Complete the following fields:

Populate Monthly Limits: Enter **N**.

Delete/Inactivate Prior Deductions? Enter **D** for delete or **I** for inactivate.

Prior Deduction End Date: If Inactive was entered above, enter the date for the prior deduction to be inactivated.

6. Select **Output-Post** from the Ring Menu. A printout will first be produced showing the employees whose deductions are being changed. **Review the printout carefully.**

7. After the output is printed or the display is exited, the following screen is displayed:

Options: **Yes** No

Do you wish to update the Employee Deduction records?

Please make sure that no other user is using
 'Health Insurance Enrollment Maintenance'
 or 'Employee Deduction File Maintenance'.

Do not post if any employees are in the report whose deduction should not be added or changed. Select No and press Enter. Go back to step 1 and repeat the Find process using criteria to only include changed records.

NOTE to Escrow Districts:

Transferring Escrow Balances may occur during the creation of deductions through the Z=Update process. Refer to the *Transferring Escrow Balance* section of the *Health Insurance Open Enrollment (PR-PER-7)* document for more information on transferring escrow balances.

8. If the deduction changes are correct, verify that no other users are using either the Health Insurance Enrollment Maintenance or the Employee Deduction files and select **Yes**. The Employee Deduction record will be updated.

ADDING A SECOND HEALTH INSURANCE ENROLLMENT RECORD DUE TO A QUALIFYING EVENT

If an employee has a qualifying event, a second enrollment record may be created with the appropriate effective date for the change. **However, the new deduction should not be created until after the last deduction is taken for the original enrollment record.**

The process for adding a second health insurance enrollment records differs depending on whether the employee has a flexible spending amount. Follow the correct procedures below for adding a second record for an employee with or without flexible spending amounts.

Without a Flexible Spending Amount

If an employee who has a qualifying event that requires a new health insurance enrollment record does not have a flexible spending deduction, the process to add the new record is relatively simple. The employee's enrollment record must be added and a new health insurance deduction created after the last deduction is taken for their original record. The remittance record may need to be manually adjusted depending upon the circumstance and timing of the change.

To Add a Health Insurance Enrollment Record Without Flexible Spending:

1. **Add** the Employee Health Insurance Enrollment Record with the correct effective date. See "*Adding An Employee Health Insurance Enrollment Record*" in the previous section.
2. At the appropriate time (after the last deduction has been taken using the old record), generate a new employee deduction for the employee by running the **Z=Update-Deds** menu option on the Health Insurance Enrollment Maintenance screen. See "*Creating An Employee Health Insurance Deduction*" in the previous section.
3. If necessary, manually adjust the remittance record after the monthly remittance file is created. (For more information, refer to "Manually Adjusting the Remittance File" in the *Processing the Monthly Health Insurance Remittance File* chapter.)

With a Flexible Spending Amount

When an employee waives health insurance coverage or selects a plan that costs less than the state-paid premium amount, the state contributes the amount not expended for health insurance to a flexible spending plan, if the employee so chooses. This flexible spending option is only available if the premium is less than the state contribution. However, once the flexible spending plan is begun, it must by federal law be continued for the entire year regardless of any change in circumstances.

If the employee has a qualifying event that causes them to either participate in health insurance or increase their coverage, a pre-tax deduction will need to be created for the

flexible spending amount. This allows the flexible spending deduction to continue after the health insurance deduction is changed to reflect the qualifying event.

Examples of qualifying events that might affect a flexible spending deduction are when an employee divorces and no longer waives coverage or has a baby and the new premium equals or exceeds the state contribution.

To Add a Health Insurance Enrollment Record With Flexible Spending:

1. On the **Health Insurance Enrollment Maintenance screen**, select **Find** and enter criteria to retrieve the employee's record. Press **ESC**.
2. **Print** a copy of the employee's current health insurance setup.
3. On the **Deduction/Benefit Master screen**, find (or create) the flexible spending master deduction number in the **pre-tax** range. This deduction number would have a calc code **02** (amount from employee deduction record). The vendor number on the deduction could be the same one used when the flexible spending vendor was originally created. However, for this deduction, the check will actually be sent to the flexible spending vendor.
4. On the **Employee Deductions File screen**, select **Add** and enter an employee deduction (using the master deduction number above) for flexible spending with the amount from the original flexible spending on the employee's health enrollment record. (If coverage had been waived, the flexible spending amount would be the amount of the state contribution.) After the employee deduction is created, a payroll vendor check will be created for the flexible spending vendor for the person's "mandated" flexible spending.
5. **Add** the Employee Health Insurance Enrollment Record with the new information and effective date. See "***Adding An Employee Health Insurance Enrollment Record***" in the previous section.
6. At the appropriate time (after the last deduction has been taken using the old record), generate a new employee deduction for the employee by running the **Z=Update-Deds** menu option on the Health Insurance Enrollment Maintenance screen. See "***Creating An Employee Health Insurance Deduction***" in the previous section.

CORRECTING AN EMPLOYEE HEALTH INSURANCE ENROLLMENT RECORD

There may be instances where information on the employee health insurance enrollment record is incorrect but the correction does not involve a qualifying event. For example, an address or phone number may need to be changed. In instances such as these, the health insurance record may simply be updated as described below.

To Update an Employee Health Insurance Enrollment Record, Select:

B) PAYROLL & PERSONNEL

F) Retirement & State-Specific

B) State of Kentucky

I) Kentucky Health Insurance

D) Enrollment Maintenance

1. Select **Find** from the Ring Menu and enter the employee number or other criteria to retrieve the employee's record. Press **ESC**.
2. Select **Update** from the Ring Menu.
3. Enter the correct information.
4. Press **ESC** to save the changes to the employee's health insurance enrollment record.

DELETING AN EMPLOYEE FROM HEALTH INSURANCE ENROLLMENT

When an employee has terminated their employment with the district, an option to send the employee to a "Terminated Employee" file exists in the Employee Master File Maintenance screen. This program moves the employee from the active set of employees to the terminated set of employees. **If an employee is sent to the terminate file without deleting the health insurance record, a duplicate record will be created in the health insurance remittance file.** This will result in an error and your file will not be processed by the Department of Education.

If you plan to use the terminate functionality in MUNIS, do not terminate an employee until after all health insurance processing is complete for that employee. If you send an employee to the terminate file and then realize that the employee you terminated needs to appear in the remittance file one last time, reactivate the employee in the employee master file, process your remittance file and then resend the employee to the terminate file. After you terminate the employee you will also need to delete their health insurance enrollment record. This will eliminate the employee from being generated in future remittance files.

If the terminate functionality is not used when an employee ends employment with the district, the health insurance enrollment record should still be deleted to prevent the employee from appearing in the remittance file which would result in an erroneous premium payment by KDE.

To Delete a Health Insurance Enrollment Record for an Employee:

1. Verify that all health insurance processing is complete for the employee to be terminated or inactivated.
2. On the **Health Insurance Enrollment Maintenance screen**, select **Find** and enter criteria to retrieve the employee's record. Press **ESC**.
3. Select **Del** from the Ring Menu to delete the employee's health insurance enrollment record.
4. Select **Yes** to delete the record from the database.

APPENDIX A: Employee Advice of Coverage Report Sample

09/04/1998

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11:58:11

prhltins

YOUR DISTRICT

ADVICE OF COVERAGE

EMPLOYEE:

Emp #	1
Name	BOSSE, IMA
SSN	111-11-4875
Home County	001 ADAIR COUNTY

COVERAGE:

Plan County	001	ADAIR COUNTY
Carrier	09	BLUEGRASS
Plan	2	POS
Coverage	5	FAMILY
Level	B	PLAN B
Effective	01/01/2001	

Months Covered	12
Deduction Cycles	12
Cycles Per Month	1
Pre-Tax	Y

Monthly Premium	696.82
State Contribution	468.00
Employer Contribution	0.00
Per Check Amount	228.82
Per Check Escrow	0.00

CROSS REFERENCE:

SSN	123-45-6789
Name	HEISA BOSSE
County	008 PLAN B

SIGNATURE: